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CORRESPONDENCE

BETWEEN

SIR LOUIS MALLET, C.B.

AND

MR. DAVID MACIVER, M.P.

[*Extracted from the* BRITISH EMPIRE *Newspaper, August* 9, 1879.]

THE following correspondence has passed between Sir Louis Mallet, C.B., and Mr. David MacIver, M.P., in respect to Mr. MacIver's recent speech in the House of Commons, on Mr. Chaplin's motion for a Royal Commission, challenging the accuracy of Sir Louis Mallet's figures in his recent pamphlet on "Reciprocity."

SIR LOUIS MALLET TO MR. D. MACIVER.

Sir L. Mallet presents his compliments to Mr. MacIver, and with reference to his reported remarks in the House of Commons, begs to enclose a note on the subject of the discrepancies between certain figures given in his letter on "Reciprocity," and those with which they are compared in the BRITISH EMPIRE newspaper.

India Office, July 15, 1879.

Manufactured and Half-manufactured Articles.

IMPORTS INTO THE UNITED KINGDOM, 1877.

Sir Louis Mallet's figures (taken from the Statistical Abstract for the United Kingdom, 25th number) give the value of the imports under the above head as about *forty-nine* millions. Mr. MacIver, on the other hand, gives their value as nearly *sixty-five millions*. The discrepancy may be accounted for as follows :

1. Mr. MacIver includes in his list the following articles which are included by Sir Louis Mallet under the head "Articles for Consumption," viz. :

Oil-seed cake	£1,457,003
Sugar (refined and candied)	5,794,232

Reciprocity: *n.* (Fr. *reciprocité.*)

Reciprocal obligation or right: equal mutual rights or benefits to be yielded or enjoyed.

'The commissioners offered to negociate a treaty on principles of reciprocity.'

&c. &c.

Imperial Dictionary Vol. 2, page 549.
Published by Blackie & Son, Edinburgh and London.
Edition 1850.

NATIONAL PROTECTION

COMMONLY CALLED

"RECIPROCITY"

STATED FROM VARIOUS POINTS OF VIEW

BEING

REPLIES TO

SIR LOUIS MALLET'S CHALLENGE

IN A LETTER ADDRESSED BY HIM TO

THOMAS BAZLEY POTTER, M.P.

AS CHAIRMAN OF THE COBDEN CLUB

Reprinted from the BRITISH EMPIRE *Newspaper of 3rd May* 1879

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PUBLISHED BY J. W. BURROWS

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1879

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PREFACE.

THE Cobden Club has again held its annual festival, and its members have enjoyed their undoubted privilege of once more reasserting their "immortal" principles, reaffirming their infallible dogmas, and congratulating each other that, in the midst of the surrounding gloom, and in the presence of the determined hostility of the rest of the world, they are the sole possessors of the true economical faith.

The speakers at the annual dinner of the "Club" have been this year somewhat persistent in pointing out that the fiscal policy in their charge is even yet only on its trial—a period of thirty years or thereabouts being so little in the history of man. Their greatest apostle, however, has recently declared that, in this country, at least, the question was "settled" in 1846—so that when doctors disagree, who shall decide? But "settled," or only on its trial, the subject has too absorbing an interest to be lightly dismissed as beyond the range of discussion.

In republishing the following papers, written in reply to Sir Louis Mallet's letter to the Chairman of the "Club"—in which it was suggested a prize should be offered by the Cobden Club for the best statement of the "Reciprocity" case—we have nothing to add than that, though originally published on May 3, no serious rejoinder has as yet been attempted, either by Sir Louis Mallet, or any representative, or any advocate of the system generally known as, but most erroneously called, Free Trade.

EDITOR "BRITISH EMPIRE" NEWSPAPER.

June 24, 1879.

INTRODUCTION.

THE theoretical ideas contained in the term "free trade," which latter has, by the force of various exceptional causes, secured for many years an immense hold on the popular mind in Great Britain, are sufficiently captivating, on the surface, to afford some excuse to the unthinking masses who take their opinions at second hand, and join heartily in the most plausible cry of the hour. For this reason a pamphlet issued lately by the Cobden Club, from the pen of Sir Louis Mallet, and purporting to inquire into the question of reciprocity, has been received with the profound deference generally paid to "inspired" writings. It is not too much to say that at the present day Englishmen accept their teachings on economics in much the same manner as the majority of mankind accept the doctrines of their several religions—without inquiry, and frequently without even knowing, or caring to know, the basis of their faith. There is an orthodoxy in everything that the popular mind does not readily grasp as well as in creeds, and the fashion of the day has ruled that on the question of political economy the name of Cobden before all—and then that of Mill, or of Bright, or of Gladstone—most appeals to the average Englishman's senses. For this reason anything and everything that emanates from such a source—and probably in a tenfold degree all that comes out with the *imprimatur* of the Cobden Club and its semi-blasphemous, superficial, and utterly inefficient motto—is swallowed whole without cavil or question. For no other reason can it be conceived possible that so weak a pamphlet as that to which we have referred should have been accepted without protest, or even as quietly as it has been. Probably the chief condemnation of its internal feebleness is to be found in the fact that it has not created any great sensation, which, coming from such a source, would have naturally followed had it been a masterly production. In point of fact it bears all the evidence of having been only hastily thrown together and somewhat carelessly compiled, Sir Louis apparently having in his mind all the time that he was only grappling with* (to use his own terms) a "man of straw." Had Sir Louis waited till this week he might have employed a happier phrase thrown him by the Prime Minister, and might have said instead that on seeking for his antagonist he always found him a "phantom." He would have found that word admirably suited to his purpose, though perhaps he would scarcely have used it in the sense in which it was employed by Lord Beaconsfield. But since Sir Louis feels this difficulty, and because we cannot admit that Lord Bateman's "Plea for Limited Protection or Reciprocity"—which Sir Louis appears to regard as the representative of what he calls the "modern reciprocitarian"—is at all calculated to remove it, any more than his lordship's speech of last Tuesday† in the House of Lords is likely to do so, we have endeavoured to supply the deficiency by papers written from the various points of view of each writer.

Reciprocity, says an eminent authority, is "dead," and its ghost only survives to lure us on in "phantom" fashion. Reciprocity is "dead"—the

* May 3, 1879. † April 29, 1879.

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first Minister of the Crown has said—*because our legislators have nothing left wherewith to reciprocate.* We have long ago given up the arms with which we could fight—all our big guns and nearly all our small arms—and are without the means even to show our teeth. Such, in point of fact, is the first conclusion from the statesman's point of view. Not in a hurry, but after long and patient thought, the country, captivated by brilliant rhetoric and seduced by no less brilliant promises of untold prosperity in the future, decided to reverse all its old fiscal system, and to embark on a new sea. Hence it is no business of the Government, no matter what party to which it belongs, much less of the House of Lords, to interfere with that which the nation has willed, until the country again shows plainly that it desires another reversal of our fiscal policy. Nor would we wish, nor venture to suggest, that aught even now should be done in haste. But it is another question entirely whether the matter is not to be fairly discussed, and the people to be told the plain truth as to the principles of that which is known—or, rather, believed to be known—by the term reciprocity. From that point of view it is not "dead," but certainly lives in the heads and hearts of many. We may say, however, at once, that between the faint creed professed by Lord Bateman—who has posed as a prominent man, if not a leader on the question—and the more decided views of others, there are many stages. We are not sure, indeed, whether Lord Derby* was not right in the main when he described reciprocity as "protection in a fancy dress." The term was intended as a sneer, of course, and as such the delicate mind of Lord Bateman evidently shrank from the application in his speech on Tuesday last† in the House of Lords. But we do not hesitate to declare that the protection of home land and labour—of the productive consumer rather than of the unproductive consumer—is the first article of the creed of him whom Sir Louis Mallet terms the "modern reciprocitarian." The word "reciprocity" itself is, indeed, poor in expression, compared with the policy its most earnest and hardest-thinking adherents advocate. It has probably been widely accepted for the very reason that impelled Lord Bateman in so many words to repudiate the very mention of the word "protection."

The "modern reciprocitarian" then, as we have said, aims at protection to British land and labour—but differs from that which popular prejudice somewhat unfairly ascribes to old "protectionism," in that he does not claim to protect the interest of any special class, but to legislate for that of the community at large, and not to leave all commercial action free as the air; any more than society dares to leave the actions of individuals free and unfettered. The "modern reciprocitarian," for instance—to put a hypothetical case—would dismiss the sugar trade question to the four winds, were it not typical of almost every trade and calling in the kingdom. The interest of 30,000 families—who are represented in the sugar-refining community—would rank as nothing, compared with any advantages that could be shown likely to result to 30 millions of people, by sweeping the 30,000 families away or driving them elsewhere. The "modern reciprocitarian" would impose no duties for the mere sake of levying duties; but, since taxes must be raised somewhere and somehow, would impose them in such manner that home interests should be thereby protected, that home land and labour might receive a greater demand for its products, and thereby better enable the nation to bear the burden of taxation. There are, naturally enough, "reciprocitarians" and "reciproci-

* His lordship also quoted this phrase second-hand. † April 29, 1879.

tarians." Some are only "dissatisfied free traders," who profess to advocate a universal free trade much in the same fashion as the ultra-dissatisfied members of the Cobden Club talk: for even in that sanctum there are dissentients. Others, again, are little else than what is known by the term "rank protectionists," who do not believe in "unrestricted competition" in any shape, not even if two nations mutually agree to open their ports to each other. It were indeed impossible to be otherwise, since as long as human nature exists there must ever be degrees of opinion. For this reason, therefore, possibly, Sir Louis Mallet has found himself, as he says in the first lines of his pamphlet, confronted with the "insuperable difficulty" that,

'In spite of much reading and a very sincere desire to understand the objects and arguments of the advocates of this new (?) commercial policy, I have entirely failed in finding any statement of their case."

We have therefore endeavoured to supply Sir Louis, in a measure, with that which he so sincerely desires. In the following pages he will find that though every writer more or less treats the subject as a whole, each paper has some special point of view from which he regards the question. For instance, "Veritas" in the first paper has directed his attention mainly to the question of manufactured goods and of luxuries. The tone of "Agis'" mind, in the second paper, appeals more directly to the question of the producer and consumer, and to examine which interests should be primarily regarded. "Vigilans," in the third paper, makes a special feature of our international trade generally. "Plus Solis plus Vitæ," in the fourth paper, looks upon the matter from an agriculturist's point of view. And "Fortis in Arduis," in the fifth paper, grapples boldly with the whole labour question. One point, however, Sir Louis Mallet may possibly search for without finding—he may complain that no practical measure is formulated. Sir Louis, however, must remember that it is easier to pull down and destroy—as in the case of the introduction of a free trade policy in the days of the Anti-Corn League—than to build up and consolidate a system which must be formulated by practical statesmen, when once the country accepts the principle. When the "dead" has arisen again—as it will when the film from men's eyes is removed, and they see the delusions by which they have been so long ensnared—then will come the hour for such details. In the meanwhile it is our part to rouse all those who are willing to think, to a conception of the dangers ahead, and to that "impending shipwreck"—to use the Duke of Rutland's appropriate term—which will inevitably come upon us as a nation if we do not alter our ways.

While thanking the writers of the following pages for the readiness with which they have responded to our request, let us add that not one of them is "interested" in a business capacity personally with the special features from which he views the question. "Veritas" has nothing to do, to the best of our belief, with the trade of manufactured goods. "Agis"—though a worker in one way—is what would be called a non-productive consumer, against whose *immediate* interests he argues. "Vigilans" is not a trader, although he occupies a position enabling him to understand even the details of our international commerce. "Plus Solis plus Vitæ" is not an agriculturist; and "Fortis in Arduis" is not in his own person a type of the working classes. Therefore the mind of neither is tinged by any personal interest whatever—a reproach which is frequently and groundlessly brought against the "modern reciprocitarian," to attempt to throw discredit on his motives.

THE EDITOR "BRITISH EMPIRE" NEWSPAPER.

FROM THE "MANUFACTURED GOODS" POINT OF VIEW.

Sir Louis Mallet's pamphlet certainly is a most remarkable production. The author cannot be congratulated upon his good taste, for some paragraphs in the pamphlet are almost bordering on profanity. Expressions such as "In thanking God, then, that he is not as other men, or even as this foreigner, the British Pharisee must not be allowed to deceive himself by a phrase;" and, "Can it be that while the hands are Esau's hands, the voice is the voice of Jacob, inviting us in the name of reciprocity to barter our free trade birthright for a mess of protectionist pottage?" are not very creditable to a writer who really has some standing, and a reputation to lose; but we have more to do with Sir L. Mallet's accuracy than his good taste, and we think it will be found that he is as wanting in one as in the other.

One of the first things that Sir L. Mallet assails is the word "reciprocity," which he informs us is totally inapplicable to the policy which has been so long advocated in these columns.

We perfectly agree with him that "the essence of all trade is and must be 'reciprocity,'" but we decidedly demur to the statement which follows it, that "every transaction of commerce, by which one man voluntarily sells his produce or property to another, *is an act of reciprocity, and is complete in itself.*" The essence of reciprocity in the treatment of either nations or individuals, is that both parties should be treated alike, and if one gets all the kicks, and the other all the half-pence, the treatment can hardly be called reciprocal, even if an engagement had previously been entered into to that effect.

The statement also that "the more nearly the tariffs of foreign countries approach to the limits of prohibition, the more will the British producer be protected in his own market," is so ludicrously incorrect that it seems impossible that the learned writer can have intended to make it in that form. Does he really mean to affirm that if the French tariff is so increased as to absolutely exclude our manufactures, while her own are imported here free, that it would tend to "protect the British producer in his own market"? We imported from France £21 millions worth of manufactured goods in the year 1877, each and all of which competed with precisely the same goods manufactured here, while owing to the high import duties in France we only sent under £10 millions worth there. Does Sir L. Mallet really mean that if the latter were excluded from France it would give greater protection to the English producer? While on this point, we may notice that in the appendix to the pamphlet there is a list of "Imports of manufactures into England, 1877," in which it is stated that only £16,060,400 were imported from France. We will refer our readers to the table issued in our number of January 4 last. That table was compiled with the greatest care from the Board of Trade returns, and it showed that £21,240,462 of manufac-

tures were imported from France in 1877. So much for Sir L. Mallet's accuracy on that point!

It is rather amusing to find our learned author quoting from Mill's *Principles of Political Economy* that "things are only in their permanent state when the exports and imports exactly pay for each other." With a total of imports of £394,419,682, and a total of exports of £198,893,065, he must have felt that, according to his own quotation, our trade was very far from a position of "stable equilibrium," but he tries to get out of the difficulty by stating that in recent years the imports of gold and silver bullion into the United Kingdom have exceeded the exports—the average annual excess in the last five years being, according to Sir Louis, nearly 5 millions per annum. Now, although his figures are in this instance perfectly correct, yet we think it would have been fairer if he had mentioned that in the year 1877 the balance was the other way, and that we exported two millions and a half more bullion than we imported, but no one really knows better than Sir Louis that bullion transactions are no real test of financial position in the present day. Where Sir Louis makes a mistake is in confounding the import of foreign goods that we do not manufacture here with those which we *do* manufacture here. We want as much of the former as we can get, and as little of the latter, and in that sense the words that he puts in the mouths of the advocates of reciprocity, viz., that they say "Our policy is to induce foreign countries to take more of our goods, and give us less of theirs in return" (p. 12 of the pamphlet), are perfectly correct. Such a doctrine, Sir Louis tells us, "is not likely to be very popular either with the producing or with the consuming classes of this country." We think he is considerably mistaken on this point. To the *producing* classes it is a matter of most vital importance to prevent the yearly increasing importation of foreign manufactured goods, which enter into direct competition with their own productions in the home market. Sir Louis, like many other writers of his way of thinking, tries to make out that the amount of foreign manufactured goods imported into this country is far below what it really is. We shall come to this point soon, and shall show how utterly wrong his figures are, and we only now wish to point out that to those producing classes a policy which prevents foreign competition in their own market must be an advantageous one, and that they are not such fools as to be made to believe, even on the authority of so distinguished a man as Sir Louis Mallet, C.B., "that every Englishman who sells or buys in a foreign country, whatever be the tariff of that country or of his own, *is already in the possession of complete reciprocity.*" Moreover, let it be well remembered that those producing classes are now far more numerous than they were in years gone by. England, whether the change be for better or worse, has ceased to be what she used to be, viz. "an agricultural country." Out of a total population of 26,072,284 in England, Scotland, and Wales at the last census, 5,105,998, or very nearly *one-fifth* of the whole, were engaged in manufacturing pursuits or trades, such as mining, dependent upon them. We do not for one instant mean to depreciate the importance of the agricultural interest in this country, and we hope to show hereafter how completely that interest ought to be bound up with those of the manufacturing classes in this matter. But it is important to show that numerically the manufacturing classes vastly preponderate, for those engaged in agriculture now are only one-fourteenth of the population. Moreover, besides those actually engaged in manufacturing pursuits as mentioned above, there are a vast number of shopkeepers, etc. in our manufac-

turing towns who are as dependent on the welfare of our staple trades as the very workmen themselves, and that when they are once made to understand how ruinous our present commercial policy is to those trades, they will probably be willing enough to forego the small advantage they get as "consumers" in buying cheap foreign goods. Those "consumers" themselves, too, are becoming alive to the fact that they do not gain all they think they do by the cheapness of these goods. The British housewife has already found out that it takes *two* lumps of *beet* sugar to sweeten a cup of tea as much as *one* lump of cane sugar would do, and that the ruination of our English loaf sugar trade has been anything but beneficial to her pocket.

We now come to the most important part of Sir Louis's pamphlet, viz., where he tries to show that the real injury to the manufacturing classes of this country caused by foreign competition is so small that it would not be worth while laying import duties upon it.

He puts the values of our imports in 1877 of "manufactured and half-manufactured goods" at £49,089,241. We give below a list carefully compiled from the Board of Trade returns for that year, and for the accuracy of which we can vouch. It amounts, as will be seen, to as nearly as possible half as much again as the amount stated by Sir Louis; and upon this we will merely remark that a gentleman who is so little to be trusted in his figures is not very worthy of trust in the deductions that he draws from them.

List of articles imported in the year 1877 *into this country duty free.*

	Value.
Beads of glass	£66,260
Candles	430,511
Caoutchouc manufactures	1,484,794
Chemical manufactures and products	1,056,466
China and porcelain ware	279,888
Clocks	513,387
Cordage and twine	542,048
Cork, manufactured	491,503
Cotton yarn	379,801
Cotton manufactures	1,764,802
Drugs, unenumerated	481,501
Embroidery and needlework	84,609
Flowers, artificial	588,828
Glass of all kinds	1,908,167
Hair, manufactures of	116,510
Hats and bonnets of felt	103,588
,, ,, of straw	79,925
Hides, tanned, tawed, curried, or dressed	2,953,722
Jute yarn	37,959
Lace	521,384
Leather manufactures—boots and shoes	348,786
,, ,, gloves	1,518,557
,, ,, unenumerated	379,005
Linen yarn	285,942
,, manufactures	289,459
Metals—Copper, unwrought and part wrought	2,888,371
Iron in bars, unwrought	977,971
Steel, unwrought	70,687
Iron and steel, wrought or manufactured	1,537,063
Lead, pig and sheet	2,016,803
Tin, in blocks, ingots, bars, or slabs	961,398
Musical instruments	615,702
Oil, seed	569,967
Oil, chemical, essential, and perfumed	237,484

Oil seed cake	1,457,003
Painter's colours	759,552
Paper of all kinds (except hangings)	1,220,500
Paper hangings	62,955
Silk, manufactures	12,860,988
Skins and furs, *dressed*, and manufactures therefrom	1,366,324
Sugar, refined and candy	5,794,232
Toys	444,829
Watches	504,164
Wood—house frames, fittings, and joiners' work	120,524
Woollen manufactures	5,235,948
Woollen yarn	1,753,718
Goods, unenumerated—*manufactured*, *vide* page 63, Board of Trade Returns	5,748,653
Grand Total	£63,912,238

Some exception may be taken to my including "Tin in blocks, ingots, bars, or slabs" in the above return, as it may be said that such articles can hardly be considered as "half manufactured goods"; but it must be remembered that tin is found in large quantities in Cornwall, and that a very large population has been almost reduced to destitution by foreign competion in the tin trade, vast quantities being now imported which have gone through the first process of manufacture. Moreover, there is just as much reason to include them as there is to include pig iron, which has gone through a similar stage of preliminary manufacture.

So far, then, from having to deal only with an *eighth* part of our import trade, as stated by Sir Louis, we should have to deal with a *sixth* of it if we returned to import duties on manufactures. When Sir Louis comes to examine the "sources of our supplies" he is equally, or even more grossly, inaccurate. He deliberately states that the value of the manufactures which we import from the United States "*is less than £2 millions sterling*, of which more than half consists of tanned and curried hides." Let us see what the real facts are, which the following table will show:

Table of Manufactured Goods Imported from the United States in 1877.

Clocks	£107,780
Chemical manufactures	37,074
*Cotton manufactures	400,000
Drugs	33,591
Furniture	77,064
Glass manufactures	4,393
Hides, tanned	1,090,811
House frames, &c.	37,493
Iron manufactures	200,000
Linen manufactures	5,162
Leather manufactures (including boots and shoes)	30,499
Muskets	6,199
Oil-seed cake	1,051,843
Painters' colours	15,081
Sugar, refined	425,150
Toys	13,813
Woollen manufactures	23,568
Total	£3,559,521

* The above figures, with the exception of "Cotton manufactures," are taken from the Board of Trade Returns. For some unaccountable reason, "Cotton manufactures" are not there mentioned among imports from the United States, but we have it on the authority of U.S. returns that 2,008,348 dols. were exported to Great Britain during 1877.

So much for Sir Louis's accuracy, his *two* millions having grown to more than *three and a half* millions. But to this amount may fairly be added the following articles of partially manufactured goods, viz. :

Copper, unwrought and part wrought	£27,326
Lead, pig or sheet	12,663
Oil, turpentine	320,834
Oil, chemical	43,364
Total	£404,187

which will bring the total up to nearly £4 millions without including "unenumerated articles of manufactured goods," which would probably amount to at least half a million more. So much for Sir Louis's accuracy on this point, and with it falls his absurd argument that because we could not touch the United States, therefore we should have no right to place an import duty on French manufactures.

But the most extraordinary misstatement on Sir Louis's part is contained at p. 22 of his pamphlet. He there says that "*the importations of manufactured goods from France do not greatly exceed the amount of the British exports.*" Now, the real facts are as stated in our issue of January 4 last, that while the imports from France were *over twenty* millions, the exports to France were *under ten* millions.

We leave it to our readers to say whether a writer who makes such statements is worthy of any credence at all. Sir Louis commences his pamphlet by saying that, "whenever I approached my adversary, I found him to be a man of straw," and that no "programme of practical measures which will stand the test of serious discussion" has ever been put forward by the advocates of reciprocity. We will answer him by saying that in the first place our policy would be to place an import duty on the manufactured goods of all countries that refused to allow our manufactures to be imported free. We have already shown that in the year 1877 the amount of goods imported on which such a duty could be levied was sixty-four and a half millions. We would not propose to make this duty prohibitory, but would place it sufficiently high to prevent any possibility of unfair competition in the home market.

We should also endeavour to form a national *Zollverein* between Great Britain and all her vast colonies and dependencies. To do this we should be prepared to place a small import duty on United States corn and other food produce, in order to divert that supply from the United States, that refuses to take our manufactures in exchange, to Canada and our other colonies who joined this *Zollverein* and consented to take them *free*.

We have shown how we would treat the manufactures of countries that refuse us reciprocity. We should treat all alike, so that there would be no excuse for statements like those of Sir Louis, that we were retaliating on a country which only taxes our imports 20 per cent. or less, while we left untouched a country like the United States, which taxes them double.

But although at the present moment the greatest need of change in our commercial policy is caused by the distress amongst our manufacturing population, still it must not be forgotten that there is also a cry, and a well-founded one, from our agricultural classes. It is becoming more and more impossible for our high-priced English land to compete with the virgin soil of the United States. Those agricultural classes, as has been already stated, are numerically but a small proportion of the whole population, but the owners of the land have immense power in the country, and it is useless to think that they will ever concede to the manufacturing classes the recipro-

city for which they ask, unless at the same time something is done for the agricultural classes in return, and both classes must work hand in hand together.

In consenting to a small import duty on food, the working classes will remember that cheap bread is of no use to those who are out of work, and have nothing to buy it with.

We are quite aware of the use which our adversaries made in former years of the "cheap loaf cry," and doubtless will make again, but it is of the utmost importance, apart from any other consideration, that the Empire should be *self-supporting*, and if a very trifling advantage were once given to Canada over the United States, we should soon be just as cheaply supplied from the former as we now are from the latter, so that the injury to that important individual, the British consumer, will be but temporary.

VERITAS.

FROM THE "PRODUCER v. CONSUMER" POINT OF VIEW.

You have asked me to make a few observations on a recent pamphlet which, however insignificant in itself, is supposed to have a certain weight because it is printed for the Cobden Club, and printed at their request. It is, I must say, frankly, a somewhat flimsy and unsubstantial production; but, considering the materials Sir Louis Mallet had to deal with, and the weight of economical error under which he labours, I do not know that he could be expected to have done much better. A man who starts from the assumption that two and two make five cannot arrive at any very useful conclusions. I am not imputing any special ignorance to Sir Louis Mallet. He only shares and endorses the fundamental error of his teachers—Mr. Ricardo, Mr. McCulloch, M. Jean Baptiste Say, Mr. Bright, and Mr. Cobden—that true wisdom is shown in buying in the cheapest and selling in the dearest market. Now, setting aside for the moment the question of the true interests of the community, which are practically ignored by the whole of this free trade school, and considering the interests of individuals only, it is absolutely and even ludicrously false that it is always best to buy in the cheapest and sell in the dearest market. I will tell Sir Louis Mallet what is true, though I have considerable doubt whether his mind will not be too deeply clouded by prejudice to be able to profit by the lesson. It is not always wise then to buy in the cheapest and sell in the dearest market, for that is often the height of folly (as I shall hope to convince Sir Louis and even the Cobden Club), but it is wise to buy in the best market—which may often be the dearest nominally—where you can obtain the best and soundest goods; and to sell in the surest market, where you are likely to carry on a lasting and a profitable trade. As soon as this higher truth is stated the fallacy of the old formula will become patent, it is to be hoped, to every capacity. The thing to be considered in business is lasting, not immediate, profit. The mere consideration of immediate money gains is secondary. Suppose a man could engage in two branches of business, one bringing only 10 and the other 20 per cent., but that the former of these occupations were healthful, and the latter injurious to human life, and likely to shorten it. Which business would pay best? I am endeavouring to make my illustrations as simple as I can, that even the Cobden Club may be able to follow me. A man's health and strength are his main capital. Any undue waste of these would be equivalent to a most heavy money loss. It would involve the probable surrender of the whole bulk of a man's capital in order to obtain a higher interest for the moment. Now apply this to a country or community. If it be true, even of an individual (as it is) that momentary gain means often permanent loss, that it is often most unwise to buy in the cheapest and sell in the dearest market, how far more true is this of a country or a nation! The bodily, mental and moral health, strength, and

wealth of the whole population of the country are its chief capital. Now imagine what the wisdom of a system of political economy must be which puts this entirely on one side as a matter of no account, and assumes as its primary axiom that true economy has nothing to do with communities but only with individual gains and losses! I repeat that the health and strength of the population are the chief source of wealth to the land, and these depend on two things, first the power of healthful production, and secondly the obtaining of a reasonable profit for produce. If, by whatever means, the prices of the goods produced fall below a profitable or paying standard, the business must come to an end, and the population must starve or emigrate.

The underlying assumption in the minds of "free traders" is that plenty and consequent cheapness are absolutely good under all circumstances, and this is what they mean when they tell us that the State has nothing to do with the producer as such, but has only to consider the consumer's interests, because all producers are consumers. Here economical errors multiply so thick and so fast that it is hard to know which to reprobate first. But let us go to the chief assumption that plenty must be always a benefit. Now, as this world is constituted, plenty is only a benefit when it is the result of healthful energy. Conceive the trees to bear loaves of bread, and the rivers to run with wine and milk—or let us say with milk only, not to tread upon the corns of teetotallers—would that be a benefit to society? We have all heard of the bread-fruit tree of Polynesia! Are we prepared to accept Tahiti, as it was, as our ideal? As plain matter of fact, is it not certain that too great luxuriance on the part of the productive unaided powers of nature is highly prejudicial to the interests of humanity? Can I not make it clear to Sir Louis Mallet and the Cobden Club that the primary sentence on man is also his highest blessing? "In the sweat of thy brow thou shalt eat bread." But if this be so, it follows that healthful labour is the primary source to man of all wealth, and that sound political economy must interest itself primarily in the well-being of labour, or in other words of the producer. What shall, what must we say then of a system of political economy grounded on the unhappy absurdity that the State has only, or mainly, to do with consumers, when ninety-nine out of every hundred can only consume on the condition of producing first?

Labour in all its forms was the first source of property; labour took possession of the soil and tilled it, and thereby became a landowner. Then labour in the shape of higher mental energy organised division and cultivation of the soil. The seeming curse of partial sterility or stubbornness on the part of nature was the highest blessing in disguise. Industry, zeal, activity, self-control, manly virtue in all its forms, became needful to attain the wished-for goal. In so complex a matter as human society, various influences have to be allowed for; the paternal developing into patriarchal authority, the headspring of the monarchical and hereditary principle, and also physical strength and courage and military daring, the power to resist and to attack; and above all energy, physical and mental—but chiefly mental energy in cultivation and production on a large scale, raising one man above his fellows and enabling him to become a practical capitalist. Now, in a highly complicated state of society, the result of a long-lasting and ever-widening civilisation, we have landholders, tenants, and labourers, master manufacturers and workmen, all the vast body of those who are engaged in commercial undertakings of every kind, all who contribute directly to the health and wealth of the community, lawyers,

divines, physicians, soldiers, sailors, all the guardians of society, and all these are in a true sense producers. Fundholders, *as such*, are not, because they consume without producing. The money which they have lent to the State or elsewhere, however, produces, for money breeds money, so that they are not useless ; but it is manifest that their welfare is not to be preferred to that of the direct producer. Now it should be almost unnecessary to say that the first condition of all production is profit. There must be a market, and a sale at a reasonable rate. Is it not clear that the wealth of a State must depend in the long run on the amount and value of its produce, which is the expression of the healthful energy of its population? Plenty is admirable, if it be the result of labour ; if it comes in any other way it is a delusion and a snare. What satisfaction could it be to us to have corn selling at 10*s.* or 5*s.* a quarter in our markets, and cattle at an equally low rate, if the land were thrown out of cultivation, if all our landlords were ruined, and our agricultural classes driven from the land? Or, supposing, for argument's sake, that we could obtain foreign manufactured goods, the result of underpaid labour, at so low a rate that we could only compete with foreigners, if at all, on the condition of reducing our manufacturing workmen to the state of helots, would money cheapness be any equivalent to the nation for the ruin of its manufacturing population? But, if this be granted, it is apparent that cheapness is not an absolute good, and that it is a fundamental error to seek to constitute the world's well-being on a ground-work of unrestricted competition or "free trade." It is far better that I should have to put forth my best energies in one shape or other than that I should be fed by others as a helpless infant on the choicest luxuries. Clearly in the long run cheapness at the expense of native labour would mean actual ruin. The great body of the population would have, as I have said, to starve or emigrate, and we should have lost life itself, national existence, for the sake of momentary money gains.

Now when these first principles are settled, *and not before*, we can approach the question of reciprocity. Sir Louis Mallet and the Cobden Club conceive that they *are* settled in the interest of cheapness. They cling to the old transparent fallacies, first that it is best for the individual to buy in the cheapest and sell in the dearest market, instead of selling in the best and buying in the surest—(by-the-bye, did not Sir Louis offer a considerable sum to anyone who should disprove this worn-out fallacy?) ; and secondly, that the State should only consider the interests of consumers, and aim at money cheapness and plenty, no matter at what cost. Of course, if this were so, if cheapness were the only thing to be considered, the cheapness of the moment, then indeed reciprocity would be absolute nonsense, for doubtless the levying a tax on foreign produce must have a tendency to raise prices finally. If all we had to aim at was the obtaining of goods at a low money-rate, we should be only spiting ourselves, as Sir Louis tells us, if we retaliated on France or Germany, or the United States of America, by taxing their exports because they taxed ours. But if, on the contrary, the cherished axioms of free traders are altogether mischievous and foolish errors, errors of the worst kind, however specious and fair-seeming, then reciprocity becomes a matter of bounden duty and of the plainest common sense.

Now I am not greatly concerned, I must own, to defend the language of Lord Bateman on the subject of free and unrestricted commerce or exchanges, for I have shown it to be founded on a fallacy, that the interests of the productive classes should not be considered primarily,

which they always ought to be. But the truth is that the most vigorous minds of the last generation have been deceived in England, and as far as I know, in England alone, by the sophistries of Messrs. Ricardo, McCulloch, etc. Some notion of the logical value of Mr. Ricardo's speculations may be gained from the simple fact that he considers rent to be the profit which remains over and above, if any (on the basis of supply and demand as ruling prices), after the actual cultivators, tenant and labourer, have reaped their profit. The truth is, that in every civilised country, land has an intrinsic value like gold or money, variable indeed, but always real. As money must always bear interest, so land will always bear rent. If I lend a hundred pounds to a man he has to pay me interest for it at so much, quite independent of the question whether he derives a personal profit from the use of my money. So if I let him a farm he has to pay me rent for the use of my land, wholly apart from the question of his profit. Rent is the equivalent for the use of land, as the payment of interest is the equivalent for the use of money. But even this primary and most obvious truth is a mystery to Mr. Ricardo ; indeed, he practically denies it, and involves the whole subject in smoke.

But to resume, the world is governed by words, at least too often. Free trade and unrestricted intercourse among nations sound very fine. What they mean is ruin in the long run to all producers, that is, to the whole country. For a country's wealth, I repeat, does not depend on immediate money cheapness, but on the development of all the energies of the nation.

It is needless to say that all foreign countries see this fact, and so do all our greatest colonies. They have not, indeed, found the Columbus's egg of the matter, the axiom that all true wealth and health must be grounded on the well-being of labour. But they are like Molière's "*bourgeois gentilhomme*," who had talked prose all his life without knowing it. They have acted on a common-sense theory, though they have not expounded it. It has been expounded, indeed, by Sismondi, Alison, and others, but the business of a true national league must now be to carry home sound theory to the hearts and heads of all reasonable men, the very Cobden Club included. For, after all, Sir Louis Mallet and his friends cannot wish to injure their country. Let us beware of imputing the errors of Messrs. Bright, Cobden, Fawcett, &c., to self-interest. No, they have been honestly persuaded that immediate cheapness was the best goal, that we had nothing to do but to consult the momentary seeming interest of the consumer, and always to buy in the cheapest and sell in the dearest market. Is it unreasonable to hope that a clearer light may dawn on them yet? As Shakespeare has said :

"Good reasons must, perforce, give way to better."

Let them reconsider the starting-point. Should we not aim at the increase and consolidation of national wealth and health? Competition, doubtless, has its great uses within due limits. It awakens and stirs up energy in agriculture and manufactures alike, and to this extent it is good, nay, necessary. But there is a limit. The profit of healthful labour is the first essential, and on that the good of the commonwealth and greatness of the empire must be grounded. I say nothing of the imperial or colonial question now. There will be time enough for that. I am only anxious to show that the securing the rights and interests of native labour is the first condition of well-being for any community. Reciprocity follows as a matter of course, as far as the interests of native labour allow. This is a

matter of practical arrangement between statesmen and governments, grounded on the plainest common sense. But again and again I say the foundation on which the well-being and greatness of every country and empire must be reared is the healthful occupation of labour, and all cheapness at the expense of this involves a fearful loss of money and of money's-worth to the whole country, first of all to the productive classes, but finally to the consumers also, because whether we see it or no, we are all one body, socially and politically members one of another, and must ultimately stand or fall together.

I beg to subscribe myself, Mr. Editor, by the name of a warrior of old, who did his country some service, but scarcely reaped his due—I mean

AGIS.

FROM THE "GENERAL INTERNATIONAL TRADING" POINT OF VIEW.

An opinion is rapidly extending itself throughout the country that, in view of the melancholy condition of our trade as contrasted with that of America and certain European nations, and in consequence of the daily increasing displacement of British industry by the growing importation of foreign produce and manufactures, some inherent defect exists in our commercial relationship with the world, some grand change is needful to resuscitate British commerce and reinvigorate the market for British labour. In no frantic haste, in no mere sentiment, from no feeling of jealousy or ill-will, men in vast numbers are becoming convinced that foreign countries are and have been for years getting much the best of us in the general trade in which we are engaged with them. Trade returns and practical experience, in the form of departed profits and increasing losses, are to them forcible proofs that a reversal of pre-existing international economy has set in, and that advantages we once enjoyed have been insidiously transferred to commercially hostile communities.

It is borne in mind that England has for twenty years fought, with free ports, a world armed with almost prohibitive tariffs. The establishment of such a condition of things, thoroughly voluntary as it was, had for its *raison d'être* implicit faith in the soundness of the economical doctrines by which we were guided, and hopes that foreign countries, converted to our views, would hasten to adopt them, and divest themselves of those garments of pure protection to which they had so long been accustomed.

No such prospect, however, opens up, and capitalist, manufacturer, and labourer, alike yearn for that element in international commerce which in all matters—political and social—is deemed essential to the well-being of communities. That element is "Reciprocity," a common understanding for mutual benefit based on the enlightened principles of political economy which alone forms the distinguishing mark between the barbarism of mere barter and the improved polity of really civilised commerce. Such a response was the reward Sir Robert Peel looked for in releasing, in opposition to the country party of the day, so large an amount of foreign produce from the high tariffs prevalent. Similar hopes buoyed up Mr. Cobden in renewing and extending in 1860 the action of his great predecessor. "Reciprocal instrument" was the explanatory and defensive term given to the French Treaty by Mr. Gladstone, and it is no doubtful statement to assert that the whole of the free trade action of this country since 1846 has been, as respects the foreigner and his commercial legislation, purely experimental.

Thirty-three years, a complete generation of time, finds us still single-handed in the contest, our monopoly of manufacture non-existent, and a teeming and closely-packed population, whose constant employment is a necessity not to be trifled with. Self-preservation is our first law, and the

only alternative to a re-imposition of duties sufficient to divert home capital to home uses is the yielding to us that condition on which our faith in treaties was ever based, viz., mutual advantage, mutual benefit, or, in one graphic expression, "Reciprocity."

Sir Louis Mallet, in his letter to Mr. T. B. Potter, M.P., designed to bring ridicule and contempt on those who advocate the application of this great principle, presents us with a document whose every page, whilst bristling with inconsistencies, contains within itself, at the same time, the most thorough vindication of his opponent's arguments.

What is reciprocity, and how will they apply it? is the question propounded. On the very title-page is the motto of the Cobden League, "Free trade, peace, goodwill *among* nations." What is this but a prayer for "reciprocity"? The disagreement between Sir Louis and those who differ from him being that whilst he must be held to assume that the appeal is realised, they, on the contrary, assert that practical everyday life displays the one-sided character of international trade, and demands the fulfilment of the condition which was undoubtedly in the mind's eye of those who launched free trade upon a world, as it, appears ill-prepared to understand or appreciate its economical value.

What is reciprocity? "The essence of all trade is and must be reciprocity," says Sir Louis. He speaks elsewhere too of a school of economists who "by discouraging and discrediting all attempts to obtain 'reciprocity' of free trade, and by ignoring the incontestable truth that you cannot have free trade without reciprocity, &c., &c." So that "reciprocity," even in the opinion of Sir Louis Mallet, and we must suppose of the Cobden Club, is admitted to be a real force, and its advocates therefore are not fairly liable to the abuse which *doctrinaires* of the Stuart Mill following are so accustomed to fling at them.

We have, therefore, Sir Louis Mallet with us thoroughly, though it may be somewhat in spite of himself, as to the value of the doctrine which the advocates of reciprocity seek to insist upon as the *rem desideratam* in international trade. Our difference, then, is mainly in the admission as to the extent to which that doctrine already applies, and as to its further application.

Sir Louis thinks a "one-sided free trade better than no free trade at all." We reply, "Free trade" implies, *and was intended by its authors to involve*, reciprocity. No half measures could be called free trade. Nothing can be *half free.* A man with one hand shackled to one leg is *bodily* half free, but precisely and morally he is the complete slave. The trade between two countries may be, fiscally speaking, half free, but inasmuch as the manufactures of one are protected by a duty imposed on them by the other, there is no complete freedom of trade, but an utter absence real reciprocity. "If one tariff is bad, two must be worse," adds Sir Louis. Not so, if the interests of our producers are first considered, for the imposition of duties on foreign products to any extent would, in proportion, throw money now spent abroad into home channels, encouraging home labour and production.

In the examples of the "*barique*" of wine, it is overlooked that on the basis of argument there employed, the English producer and consumer pay the whole "damage" of duty. They get less wine for their manufactures exported, and they pay the duty on that wine when imported, whilst the foreign Government, having the benefit of the extreme duty on the Lancashire cloth, the individual importer of the cloth is the better in the bargain, fiscally, by the proportion of that duty, which saves him taxation of another kind.

Following up this question of the effects of non-reciprocity, and seeking to show the result to a country indulging in the levying of high tariffs, Sir Louis says "that to whatever extent it closes its ports on foreign commodities, it prevents foreign countries from importing its own." We need only point to the proportions of our trade with America, the highest tariff maker of the world, to fix an irremovable negative on such a statement.

The United States declined to take more of our commodities last year than £15 millions. That did not prevent them shipping to us the enormous amount of £90 millions of produce, &c. In 1872 the proportions were—imports, £54,660,000, exports £45,900,000. A proportion of 11 to 9 in a total of £100 millions as against, under increased tariffs, the present proportion of 18 to 3 in a total of £105 millions, almost an identical volume. Is it thus, then, that we are to realise the assertion "That the more foreign tariffs approach to the limits of prohibition, the more will the British producer be 'protected' in his own market"? Does Sir Louis really think English producers are the better off for selling to the United States £15 millions rather than £46 millions? Is this argument consistent with the reminder to that "school of English Chauvinism" which has frustrated the designs of Sir Robert Peel, that they, "in admitting foreign products free, do not take care of our imports." If *all* foreign imports were free, would that fact further assist in the operation of "protecting" our home producer?

But this argument is again illustrated at p. 17, by the assumed reply of the Frenchman or American upon the fact that we tax wine and tobacco. Remit those duties, says Sir Louis, and the foreigner would reply, "Now, since you enable me to pay you for your goods in tobacco and wine —the only coin which I have to offer—the more you take of those the more shall I be able to take from you in exchange." The facts in refutation of this line of argument are that, in face of an immense increase in the importation by us of these very articles, the relations of trade between us and France and America have assumed the proportions above referred to, viz., of 6 to 1 in the case of the United States, and of 3 to 1 nearly in the case of France.

Then, again, in dealing with the mode of action which Sir Louis assumes would be that favoured by his opponents, he implies that *retaliation* would be our policy. Nowhere has this been proclaimed, nowhere has it been proposed "to apply to each foreign country a tariff of duties which would correspond as nearly as might be with that which it enforces against us." We should offer terms with any or all nations on the ground of reciprocity, which will of course imply a readjustment of tariffs, in fact, the practical performance of those conditions which were undoubtedly present to the minds of the framers of free trade policy and commercial treaties. And, in default of reciprocal inclinations, we should doubtless apply tariffs not necessarily retaliatory or "corresponding," but sufficient to give our home labour its fair share of employment by a *pro rata* discouragement of that great mass of foreign imports which is yearly growing upon us. Sir Louis does allow us to contemplate "a moderately protective tariff, say 10 per cent. upon all foreign manufactures." There he is probably nearer the mark as to the intentions and policy of reciprocity advocates. But he says "this cannot be intended, for it would be a simple return to a policy which we have already tried, and which we have abandoned step by step from a bitter experience of its results." Indeed, where were the "disastrous results?" Take our trade returns for the period of years from 1850 to 1860, and it will be found that

they progressed surely and safely, whilst gradually, and that the severe *commercial* crises only supervened upon the introduction of the stimulants which, wisely or unwisely, it was deemed well to apply from 1860 downwards. Large figures may, indeed, be pointed to as the outcome of such experiments as the French Treaty and the "Limited Liability" Acts, but in all references to trade by those who have been responsible for its present condition no mention is ever made of the bad side of those experiments which, gradually accumulating, have in the main contributed to the awkward dilemma in which we now find ourselves of being compelled to admit that free trade so-called has not that element in it which it was intended should have been present, at all events within a reasonable period, after our generous and confiding treatment of the whole commercial universe, and that therefore we have not free trade but only the spurious form of it, the contingent remainder having never been realised. From 1863 to 1877 we have abolished on balance £26,500,000 of taxes, of which customs stand for £14 millions.

Foreign imports have *in consequence* grown from £164 millions to £304 millions, or very nearly 100 per cent. To what extent has this been reciprocated by the demand for our products? In 1863 they were £142 millions, in 1877 £176 millions, the growth having been a little more than 25 per cent.; the falling off since 1872 has been £73 millions, almost entirely due to the reduction in value and quantity of home manufactures.

Finally, Sir Louis dissects our imports from 1877 into raw, manufactured, and food, a very proper classification; and, assuming that it would be only on manufactures we should impose duties, proceeds to show that our trade with individual countries in this respect is so small, with the exception of France, that it would be hardly worth while to incur, for the sake of the protection afforded, the possible retaliation of foreign countries. But surely this is a question of principle, not of expediency. We expected reciprocity; we have not got the least approach to it. Foreign countries act on the policy of self-preservation. They take what they want of us, and nothing by way of compliment to our free trade system. Did we impose reasonable duties on their manufactures, or even still more moderate duties on some of their raw materials, would there be reason to expect "retaliatory" action pure and simple? Will they deny themselves coal, iron, and machinery, and so arrest that course of home manufacture which they have diligently followed for some years past? As it is, they are taxing less of our purely manufactured articles, but we, on the contrary, on account of our free ports, are continuously increasing an import of their products and manufactures, to the detriment of our home labour and trade, and with the inevitable result of leaving ourselves more and more dependent on the foreigner for the very articles, the production of which we have in past years been renowned for.

The issue between Sir Louis Mallet and his *confrères* of the modern political economist school, and those whom he designates as utterers of the "blind cry for reciprocity," is a very simple one.

He and his friends pat the consumer on the back, and bid him continue to invest his income by preference in foreign products and manufactures. "They are *cheap*, cheaper than you can make them at home, therefore buy them without regard to the incidence of such trade on home labour."

We put home labour in the fore-front of our cause. We deem it essential that the great army of our producers should be well employed.

We, too, advocate cheapness, but we insist that cheapness for the consumer in juxtaposition with idleness for the producer means, at no distant day, simple national ruin. We are now, as a nation, working internationally at a tension such as we never yet encountered. We have wheat at 40*s*., a price confessedly unremunerative to the grower. The British consumers, 34 millions, would benefit to the full, *if* the very cause of this low price of corn was not at the bottom of the contemporary stagnation, and in many cases, extinction of our home trade. Sir Louis Mallet condemns the policy of "masterly inactivity" as applied in the past to our commercial system, and this admission was confirmed by the Prime Minister in his speech on the reciprocity debate last Tuesday in his decided expression of opinion that England had missed her opportunity for reciprocity in the wholesale remission of import duties. "Masterly inactivity" has nearly worked havoc with our foreign policy, and it is the clear opinion of the advocates of reciprocity that this policy must be terminated in our commercial as in our foreign administration of affairs. Sir Louis Mallet and his friends would stand quietly by and view the logical realisation of their policy in the complete annihilation of our exports, whereas we would, whilst there is time, endeavour to arrest this continuous growth in the disproportion of our trade with the world. Their experiment has had a long trial. It has admittedly failed. Our alternative should be met with something more reasonable and practical than open contempt. In a far different spirit the country is preparing to consider it.

VIGILANS.

FROM THE "AGRICULTURAL" POINT OF VIEW.

"THE Cobden Club is a failure," said one of its members on the afternoon of Monday, April 28 last, adding, "we were established to consolidate and extend the principles of free trade throughout the world, and our attempt to do so is unsuccessful." Such was the voluntary comment made as the above-named pamphlet came casually under notice, and this admission at once suggested the query, "Is not the pamphlet, issued by the Club, also equally a failure in its arguments and facts?"

I shall attempt to show that such is really the case, so far as Sir Louis Mallet deals with those matters with which I am best acquainted—the supply and price of bread-food.

The old scarecrow of "dear bread" is brought out of the curiosity lumber shop of the past to do duty once again, and frighten away discussions on the plain merits of the question. Those who have leanings to, or might be persuaded to support, a revenue duty on corn are startled at once on being told that such a measure would heavily touch all consumers' pockets, that such a duty would become "prohibitive," and, as a result, bread would be dear, very dear. Is this the truth? I say roundly it is not so. I say that the most experienced corn merchants in Mark Lane and throughout the country would also reply that such a statement is not, in their judgment, a true one. So far I am not here discussing the desirability of imposing, or of not imposing, a duty on corn (that subject shall be presently treated), I am simply dealing with the Bridge-head of defence of Sir Louis Mallet and other free-traders, when they say, "a duty on corn would make bread dear." To demolish this first point of defence is the object of this reply, as to fortify it appears to have been the chief care of Sir Louis in his latter-day pamphlet.

Too much stress cannot be laid on this point of the general question, because when once Giant Dear-Bread shall be slain, the course will be left clear for statesmen to consider freely the expediency of taxing food-imports for revenue, quite apart from the consideration of taxing them with the object of protecting the British farmer and landlord. Perhaps the first useful illustration of taxed imports being not, *therefore*, dear, is derived from the article of tea, which, although furnishing the revenue with a most substantial and regular income, remains one of the cheapest articles of domestic consumption. This instance is all the more remarkable as the sources of supply of the exotic herb are relatively very restricted in comparison with the world-wide sources of wheat supply, and to which I now draw attention.

Those who run may read and understand that relatively any or all Revenue imposts on such an article as wheat are very insignificant in com-

parison with its production, and transport, and commercial charges. They are but as the halter is to the horse.

In regard to foreign wheat, *transit* remains (and was more so in the past) the one ruling charge that determines whether wheat shall be dear or cheap in England. Transit may now be considered as permanently reduced to a scale that renders it unlikely in the future that wheat will be ever again above a general level of cheapness, and I submit—

1. *Untaxed* wheat under transit charges of only a few years ago might be represented as 20, whilst
2. Heavily taxed wheat, with Californian freights, under 50*s.*, and Indian freights under 30*s.* per ton, may be placed at 15.

This one cause of cheapness of transit demolishes a hundred petty arguments and hindrances that once might be considered as objections to the taxation of bread-food ; for what was at one time of great importance to the consumer is now quite unimportant. Moreover, the ease and lessened expense of transit has stimulated an *extra* production of quite 20 million quarters of wheat in the world (not forgetting the increment of population) in the last twenty years, and thus a surplus is grown to be kicked about the markets, and make "dear bread" in all ordinary seasons well nigh impossible, and I repeat that the free trader who sets up the scarecrow of dearness to frighten consumers either does not know his subject or wilfully misrepresents probabilities.

The statistics of past and present wheat supply are things so generally known that I need not encumber this column with them, and will only refer to one undoubted fact that through the *very exceptional* deficiency of the harvest in France last year, a surplus production of ten million quarters in the United States has been absorbed in Europe, over and beyond the ample supplies sent to the United Kingdom.

Coming to another consideration, that of permanent cheapness, I am but repeating the recently expressed opinion of an American statistician, and which I heartily endorse, that there can be no counterweight to wheat prices being subject to inflation in England, so effectual and regular, as *the regular cultivation of four million acres of wheat by the British farmer!* Now the apologists for one-sided free trade use recondite arguments, and would knock down opponents with lumping figures. All free traders should be Senior Wranglers to talk as they do. "The question is a mathematical, not an economical one"—"The policy is a mathematical policy," are common phrases ; yet without going further than a plain rule-of-three sum, let us ask these free trade mathematicians and all the "plain folk" of our agricultural counties—"How will the consumer escape taxation if matters proceed as at present they are proceeding?" We must suppose our Budgets will remain at about their present level. Who are to supply the ways and means? The landlord's property in the soil is computed at £2,000 millions, and of the farmer at £400 millions. Here are totals that, without a change in affairs, must be reckoned as bearing reduced rentals of 30 per cent.—so much less Income tax! Then the coincident reductions of farmers' assessments to local and poor rates will make a void in balance sheets that will require to be filled up from other sources. Thus, in both cases the taxes, rates, &c., borne by landlords and farmers will have to be *shifted* to the stronger shoulders of other tax and ratepayers—consumers amongst them.

Is this a better system than keeping the landlord and farmer in a position to pay taxes in their present proportion? The burden on the back of

John Bull will remain much the same whatever plan be adopted, but it should be strapped on his shoulders to bear equally on his strength, on his arms and legs and body—the right arm of commerce should not be free and the left arm of agriculture bound fast to his side.*

One of the plain questions to be answered is, are the four million acres of wheat land in England to go out of cultivation, or is the *revision of revenue* so to be made that the British farmer can be induced to cultivate wheat and produce about half of the country's requirements? In former times, before this country had negotiated thirty-eight treaties of commerce with other countries, the farmer stood alone; now at his side are ranked commerce and labour, and a national instinct that the foreigner is favoured. This combination of interests and sentiment may, I believe, be backed against the array of mathematical figures and arguments employed by the out-and-out believers in free trade. To me free trade means slavery to an idea rather than the outcome of legitimate reasoning. Has the world advanced so as to double the assessments of Income Tax, more than triple the deposits per head in our Savings Banks, to reduce the percentage of pauperism, because of its having worked on one-sided free trade principles? The answer is, that countries whose idea is protection, and not free trade, have advanced in the same or in larger proportion! Thus the swarm of flies that, on the wheel of progress, claim to give motion to the chariot, must all be brushed away. A *true* principle in political economy lasts for centuries, but free trade cannot yet count its half century, and is already challenged as a principle essentially unsound, because impossible.

To judge from the action of other countries the verdict has been given, and of English free traders it may be said,

> Their dreamings and schemings, their ruling and schooling
> The world does but call them as Free Trade in fooling;
> They're witless and fitless, the world will not take them,
> So England may freely, if sadly, forsake them:
> Until all the nations a Round Robin signing
> Take up with the Free Trade of England's designing.

Doubtless to carry out a grand idea England has made noble efforts, but free trade has still to be regarded apparently as much an impossibility as is the conversion of the idea of universal equality into a fact. If England has loosened the chains of foreign trade, it has imposed fetters on its home trade since it has handicapped the British farmer and manufacturer, and then started them in a race against the unweighted foreigner.

Is the above a common belief, or is it not?

Sir Louis Mallet states that "Every Englishman who sells or buys in a foreign country, whatever be the tariff of that country or the tariff of his own, is already in the possession of complete reciprocity."

I confess that I do not understand *Reciprocity* as thus defined, and wonder no longer that the meaning of the word puzzles a Prime Minister as well as a plain farmer.

But to revert to my chief object of controverting the head and front of Sir Louis Mallet's offending, where he asks (and so implies), Will "the people of England ever again submit to corn laws or sugar duties, and return to their *small loaf* and *dear grocery*?" I claim the right to state

* *Vigilans* employs a similar illustration on another phase of the question. Neither writer saw the other's paper before it was published, nor had any communication passed between them.—[EDITOR.]

that, any moderate import duties that might be imposed on foreign produce or manufactures, whilst it would be sufficient to enable the British landowner, the British farmer, and the British manufacturer, and the British labourer to maintain a rightful position in the world, would not enhance the value of bread-food to the masses of the people who consume it to any appreciable extent—even to any *quotable difference* in the price of their daily loaf, and I base this belief on a personal knowledge that the present productive resources of the world have been so generally utilised by the facilities of steam transport, on water and land, during the past thirty years, that areas, in our colonies, in the empire of India, in the Dominion of Canada, and in other countries, have been brought under cultivation in a proportion, relatively to consumption from increased population, that would sanction any English statesman imposing a duty on grain (without the chance of the cost of bread-food being thereby materially raised), should other circumstances international or national, make a revision of the revenue desirable.

"PLUS SOLIS PLUS VITÆ."

FROM THE "LABOUR" POINT OF VIEW.

"FREE TRADE, PEACE, GOODWILL AMONG NATIONS," has for many years past been a very taking cry in this country. Thanks to this rallying cry having been coupled with promises of "free bread" and "free breakfasts," its inventors, styling themselves *Liberals*, succeeded in securing more than their fair share of public support. They were placed in office and handed the reins of government six years after the repeal of the Corn Laws, or in the year 1852, their supporters desiring to give their "free trade" policy a fair trial; and in 1853, Mr. Gladstone being then Chancellor of the Exchequer, the first sweeping abolition and reduction of "import duties" took place. The gold discoveries which had just previously been made in California and Australia flooded the British market in the five subsequent years with over 130 millions of bullion, and infused new life and vigour into our previously languishing home industries, and the consequent prosperity was, as a matter of course, attributed by our rulers and their supporters to the working of their novel fiscal policy. Free trade was declared to be an unparalleled success. The vote of the year 1846 was generally assumed to have "settled" the future fiscal policy of Great Britain; and those who remained unconverted were regarded as "heretics," "lunatics," and "simpletons," with whom it was worse than useless to argue, as it was thought that their conversion from "old and exploded doctrines" could neither benefit the cause nor strengthen the party. Regarded with disdain as numerically too weak to retard the development of the free trade policy, they were left to their natural fate, the belief of the Liberals being in "the survival of the fittest," and who more fit to have dominion and to survive all opposition than "the chosen of the people"? Such, in brief, was the origin of what you will allow me to style "the free trade craze."

In this sublunary planet, however, "all is not gold that glitters;" and the history of the past, together with the inexorable logic of facts, are proofs sufficient to all rational beings that to jump at conclusions is the greatest mistake a man, in whatever station of life he may be, can commit. The consequences attending hasty action have, as a rule, to be repented in sorrow and bitterness of heart by the individual; but when a nation has to repent of its past actions, the distress is enormously increased, and can hardly be over-estimated. Committed in haste to a delusive policy, it seldom has the power of repenting at leisure, owing to the disturbances which arise amidst its vast and complex organisation when the reaction sets in; and the demoralisation of the population takes place. But it is not too much to assert that a vast number of individuals are scattered broadcast over the country, who have ever maintained that the logical sequence of "the settlement of 1846" could be nothing less than Socialism, and the dismemberment of the British Empire.

The predicted reaction set in about June 1873. The exchange value of

the products of British labour fell some 50 per cent. in three short months, and has continued falling ever since. Hundreds of thousands of British workmen have been thrown out of employment, and have been forced to seek assistance from the relief funds raised to alleviate their distress. At no time in the history of friendly societies have the funds of our trades' unions been in such a deplorable condition as they are at this moment. It is positively asserted by those who ought to know what the circumstances of these societies really are, that were the books of every existing trades' union honestly, carefully, and strictly audited, not one would be found able to meet its liabilities. Under such a state of things it is not to be wondered at that our working classes should turn their eyes longingly towards the land, and murmur at its uncultivated state. They do not understand the cause of its lying idle. Their leaders point to its unproductiveness, and already murmur in their ears the fallacy, "Had each unemployed hand only two acres of that land, he could raise sufficient produce to support himself and family throughout the year." The poor are little apt to reason. The idea takes root. They never consider that capital is required to make the land produce; nor do they give heed to the fact that, while their crops are growing they would starve unless they had sufficient capital to support them during the interval which must necessarily elapse between sowing and reaping. The only thing the poor man can understand is that he has no work to do; that he earns no wages; that he is starving. He sees that there is plenty throughout the land, and he naturally exclaims, "Why should all those good things exist, and yet I be forced to die from sheer want of the mere necessaries of life!"

The "people's men," who brought about "the settlement of 1846," know full well that this feeling is daily gaining strength throughout the country. To admit that their past policy is the cause of the depression and distress, and of the land being thrown out of cultivation, would be more than we ought to expect from human nature—it would mean the downfall of the Liberal party. But the Liberals do not intend to allow their party to be extinguished if they can help it. They got into power on a popular cry, and intend, the last one failing, to start a new cry to regain the reins of government. Any cry will do. The Extension of the Franchise! Amendment of the Land Laws! Abolition of the Law of Entail! One or all of these will serve their purpose. They have already openly commenced to agitate for the "extension of the franchise." The other questions are being silently diffused among the masses by their emissaries, those paid delegates of the working classes who form the Workmen's Parliamentary Committee, and these, in return for their services, hope one and all to be returned to Parliament at no very distant date through the support of those men whose cause they are now advocating. The Liberals of England, however, know better than to let their present slaves find a seat within the portals of St. Stephen's if they can help it. They promise anything and everything; but they do nothing. They use the working classes as their tools, through the trade delegates. In that lies the secret of the success of the Liberal party. Workmen listen to workmen, but they turn a deaf ear to their superiors. The most extravagant theory propounded by a workman is accepted, *au grand sérieux*, by his class; while the most simple truism, emanating from a gentleman, is looked at with suspicion. Hence, the working classes have always believed in "Free Trade," not because it emanated from Richard Cobden, John Bright, or William Ewart Gladstone, but because the theory of "buy in the cheapest market" was preached to them by their own delegates, in the pay and

at the expense of the Anti-Corn Law League and other Liberal associations.

Suddenly, these delegates found themselves confronted by a new cry. It was that of "reciprocity." They reported faithfully to their employers that this cry was making headway among the working classes. They could not explain what it meant, but it seemed a taking cry, promising labour to the unemployed. What! prefer labour to "free bread" and "free breakfasts!" Surely there must be a mistake? True, the promise of free food has not been fulfilled. But what of that? Had not the "people's men" made the promise, and ought that not to be sufficient? Might it not yet be secured if only some patience be exercised? And as for the "reciprocity cry," what on earth does it mean? Did the men want to be led back to protection and starvation, such as existed in the land prior to "the settlement of the year 1846?" No, surely not! it must be a mistake. There could be no real agitation on foot to upset free trade and "the settlement of 1846." If so, who were its promoters? who the leaders? They must be members of the hated Tory party. They must come from among the bloated aristocracy. Therefore they must belong to the old category of "heretics," "lunatics," and "simpletons," who were deemed crushed out of existence in the past. Strange they should have risen, as it were, from the dead. Nevertheless, they must now be put down, be they men of substance or men of straw; and the Cobden Club has chosen its president, Sir Louis Mallett, C.B., to assail the foe, with what result we shall now proceed to discuss.

"In spite of much reading," writes Sir Louis Mallet, "and a very sincere desire to understand the objects and arguments of the advocates of this new policy, I have entirely failed in finding any statement of their case, or any programme of practical measures which will stand the test of serious discussion. So that whenever I approached my adversary I found him to be a man of straw."

Having no one to attack, the logical conclusion would be that Sir Louis Mallet would have been unable to cross swords with that which he says does not exist. Strange to say, however, he finds a man, not exactly of straw, in the person of Lord Bateman, who happens to have written a pamphlet entitled *A Plea for Limited Protection or for Reciprocity*, and Sir Louis Mallet, therefore, straightway imposes upon himself the task of demolishing Lord Bateman's *Plea for Reciprocity*, contenting himself with quoting a very short paragraph from his lordship's somewhat weak pamphlet. This quotation ends with the statement that "it cannot be denied that the sting of 'want of reciprocity' has from the first checkmated our philanthropic efforts, and obliged us now to confess, after thirty years of trial, that in practice our free trade is at best but one-sided; and that, while we are opening our ports to the commerce and manufactures of the world free and unrestricted, other countries, without conferring upon us any reciprocal benefit, are taking advantage, without scruple, of our magnanimous, but disastrous (because one-sided) liberality."

To this Sir Louis Mallet replies, "No one would, I presume, deny that the system under which British trade is now carried on is not one of free trade, nor that a complete system of free trade is better than a one-sided free trade; but if, as is alleged, protection is only sought for the sake of reciprocity, it is impossible to understand why a one-sided free trade should not be better than no free trade at all."

Can free traders bring forward no better argument than this defence of their one-sided policy? Surely the president of the Cobden Club ought

to know better than to place such an argument before reasoning, thinking beings. How on earth can a "one-sided trade" be free? The difficulty I experience is to deal with such crass ignorance as that which presumes to assume that any sane man would maintain such views. Sir Louis Mallet admits that no such thing as free trade has ever existed in this country, and then naïvely acknowledges his inability to comprehend that a one-sided bargain must be unfair to one or the other of the parties to the transaction! He then dogmatically asserts that "the mutual relaxation of restrictions is a mutual advantage." Of course it is, but where do we find such "reciprocity" in existence between any two nations? Sir Louis Mallet endeavours to demonstrate that a *one-sided relaxation of restrictions* is *a mutual relaxation of restrictions*. But nowhere do we find restrictions *reciprocally relaxed*. On the contrary, all foreign countries vie with each other in maintaining old and in imposing additional restrictions on the products of British labour, so as to prevent those products finding a sale in foreign markets. This necessarily restrains our production, and prevents our exporting commodities in sufficient quantities to pay for those we import. At the same time, foreign Governments are increasing the subsidies or bounties they grant to their own producers with the avowed, or at times concealed, object of enabling them to find a ready sale for the products of their labour on the British market. This must necessarily further curtail the demand for the products of British labour. No complaint would be raised if for every ton of foreign commodities sold in our home market for home consumption, an equal quantity of commodities, the product of British labour, could be exported and sold in foreign markets for foreign consumption. All we desire to do is to equalise and stimulate the healthy consumption of the products of labour—British and foreign; but if any favour is to be shown, we say favour British labour, and let the foreigner look after himself. As things now stand, the products of British labour are being curtailed on all sides by unfair foreign competition in the home, and by restrictions, amounting to prohibition in many instances, in the foreign markets; and the natural result of burning the candle at both ends in this manner is to lessen the general demand for—and consequently to impoverish—British labour, the people, and the country.

Nevertheless, in the face of these facts, Sir Louis Mallet, altogether ignoring the effect of the foreign bounty system, has the temerity to assert "that the more nearly the tariffs of foreign countries approach to the limits of prohibition, the more will the British producer be protected in his own market," and that, in consequence, reciprocators "must rejoice at every new restriction placed upon British trade abroad, as necessarily involving increased protection to British trade at home."

From whom do such fallacies emanate? On whose authority are they now propounded? The apostles of free trade never preached such foolish doctrines. Thus, for example:—

Ricardo says that "in speaking of commodities, of their exchange value, and the laws which regulate their relative prices, we mean always such commodities only as can be increased in quantity by the exertion of human industry, *and on the production of which competition operates without restraint.*"

Adam Smith assures us that "it must sometimes be a matter of deliberation how far it is proper to continue the free importation of certain foreign goods, when some foreign nations restrain by high duties the importation of some of our *manufactures* in their country. This case *naturally* dictates

retaliation, and that we should impose the like duties upon some or all of their *manufactures* coming into our country."

McCulloch asserts that "all commerce, whether carried on by individuals of the same or of different countries, is founded on *a fair principle of reciprocity*."

But I forgot. Have not Mr. Foster, Mr. Lowe, and Mr. Courtney only recently disowned all such authorities in the House of Commons, when assuring the country that their views of political economy were their own, and consequently—infallible?

To use the words of Sir Louis Mallet, "some apology appears to be necessary" therefore, for thus reproducing statements of doctrine which I always thought had been thoroughly understood and accepted by free trade economists, but there would appear to be a widespread belief among certain classes of our countrymen that it matters little by how great an amount our imports exceed our exports in value. These never consider that, in the words of McCulloch, "should we import ten or twenty millions worth of foreign commodities this year more than we imported last year, it is undeniably certain we shall have to export ten or twenty millions worth more of our peculiar products to pay them." This *undeniably certain* fact never enters into the head of the one-sided free trader, who thinks only of "buying in the cheapest market," that is to say, of self-interest instead of the national good—forgetting that a *self-interested* is only a temporary, while a *national* is a permanent benefit. And from this cause Sir Louis Mallet commits the same error that all free traders have fallen into regarding the balance of trade. Both he and his party forget that McCulloch's dictum—"In whatever degree, therefore, an unrestricted foreign trade might lead us to receive commodities from other countries, *in the same degree* it would render those countries customers for our commodities; would promote our manufactures and extend our trade"—has been falsified by the stratagems adopted by foreign Governments to force us to import their goods while excluding the products of British labour from their own markets. This foreign policy was recently graphically illustrated by M. Pouyer-Quertier, when he said, "We want the English consumer to accustom himself to use the products of French industries, but we do not want our consumers to accustom themselves to the use of British commodities." That is to say, the foreigner is willing to accept English money, but he declines to receive the products of British labour in exchange for the products of his own labour, exported for the use of the British consumer. Here Sir Louis Mallet commits the usual fault, common to all free traders who think they see a benefit in purchasing "cheap" foreign goods. Having quoted from John Stuart Mill, he admits, with Mr. Mill, that a country which wants more imports than its exports will pay for *has to pay the difference in money*, and that, *by this transmission of the precious metals*, the quantity of the currency will diminish in such a country, and increase in the countries in which it trades. But, urges Sir Louis Mallet, *no money leaves England, nor are any of the precious metals sent abroad, as ought to be the case had we to pay for the excess value of our imports over our exports in coin.* On the contrary, says Sir Louis, "as a matter of fact, the imports of gold and silver bullion into the United Kingdom have in recent years exceeded the exports. In 1878 the excess amounted to nearly £6 millions sterling, and the average annual excess in the last five years has been nearly £5 millions." Hence, argues Sir Louis, we are actually paying for an immense value of imports by means of a lesser value of exports, "and, if foreign countries are content

to accept £50 worth of British goods in exchange for £90 worth of their own, are we to complain of their generosity?" Most assuredly not, Sir Louis, *did they do so.*

It is quite true that reciprocators, or the advocates of reciprocity, do complain that the foreigner, taking advantage of our one-sided fiscal policy, is restraining more and more our production, and is at the same time forcing us to pay him, not in commodities, but in cash. The error nto which Sir Louis Mallet has fallen is this—that to pay in cash *he assumes that money or bullion must be exported.* He commits this error because he forgets that there exist institutions called banks and stock exchanges. The British bankers receive the money wherewith to pay for the imported commodities. But they do not export that money. The banker employs a stockbroker, and by carefully watching the foreign stock exchanges, purchases such stocks in the British Stock Exchanges as are best adapted to his purpose—that of making a small profit on each transaction—and the stocks, bonds, or securities thus purchased in the British Stock Exchanges are remitted abroad, and are sold on the foreign stock exchanges. The purchase money is then divided between those who have any claim upon it. In this manner over £140 millions worth of stock and bonds and various other quoted securities are annually changing hands, that is to say, are being surrendered by their original British holders for commodities used, enjoyed and destroyed, and are being accumulated by the foreign producers of those commodities, or by the capitalists directly or indirectly connected with their production. Since the year 1858, over £1,300 millions of securities originally held by British subjects have passed from this cause into the hands of the foreigner, and it is not to be wondered at, therefore, that the interest originally receivable by this country on its foreign loans is each year becoming smaller, and the amount received from abroad and payable in England beautifully less. Soon, very soon indeed, no interest will have to be paid in this country, should we persist in adhering to our one-sided *simpleton's* fiscal policy.

If it is beneficial to the nation or to the individuals forming our population to buy in the cheapest market—that is to say, should there be any saving effected in buying cheap foreign commodities simply because they are offered cheaper than their natural cost of production to the British producer—then the British consumer should, were such the case, derive great and lasting benefit from purchasing all the commodities he requires from the foreigner, provided he secured them for less exchange value than from the British producer. The nation ought equally to benefit by this transaction if it really benefits the individual—and—*home production would be a mistake.* We should need neither factories nor workmen. And yet, strange to say, Sir Louis Mallet assures us "that without imports there can be no exports, and without exports there can be no imports." Truly, I cannot understand the logic of these free traders, it is so curiously self-contradictory and selfish; it is such a curious mixture of facts and fallacies, half-truths and untruths.

Unfortunately for the arguments brought forward by Sir Louis Mallet, it is the home industries of the country which foster and build up the wealth of the nation, and not the "buy in the cheapest market" theory. British commodities must be exported in equal value to that of the foreign commodities imported. No foreign country gives us £90 worth of its goods for £50 worth of our goods, as can be seen by referring to the Board of Trade Returns, where the values set down are equivalent values in British currency. British commodities are the products of British labour. The

products of labour saved and accumulated instead of being used, enjoyed, and destroyed, constitute capital. If, therefore, we are forced, through a one-sided policy, to use and destroy the surplus production of the foreigner, it stands to reason that the accumulation of wealth—the saving—is effected in foreign countries and not in England. Consequently, in proportion as foreign countries increase in wealth, Great Britain will be impoverished, unless she can induce foreign nations to take payment in commodities *the products of British labour*. For the last thirty-three years we have been attempting to persuade foreign nations that they are entirely wrong in adhering to their policies of protecting labour, and that we are adopting the only wise course possible in our free trade, peace, good-will among nations policy, which forces labour to shift for itself, by altogether shifting out of the country ; but, so far from having succeeded in convincing our neighbours that we derive any benefit from a policy which allows the yearly balance of trade to steadily increase against us, but in their favour, or that they are thereby placed at a great disadvantage and are ruining their own consumers, we find that all foreign Governments are now bent on raising their protective tariffs, as if to give the death-blow to British industry, and they one and all, even to our own colonies and dependencies, steadfastly refuse to listen to the voice of the Brummagem Charmer, charm he never so wisely. They see through the British Pharisee who thanks God daily that he is not as other men, and who would have foreign nations open their ports free to his wares that he may be enabled to flood their markets with his goods, and crush their own native industries, while pretending, under the guise of free trade, to offer them free competition ! No wonder then that the astute foreigner replies laconically, "*Pas si bête!*"

Sir Louis Mallet also points exultingly to the prosperity of this country during the years immediately following the repeal of the Corn Laws ; but he omits to take into consideration the effect of the gold discoveries of that period, the development of our railway system, then only just completed, and of the wars in America and Europe which soon followed. These causes combined to flood the British market with export orders in no manner connected with our fiscal policy, and, therefore, unnecessary to be further discussed. Sir Louis Mallet omits, however, to mention that, although from the above causes England did increase her trade, France and other protectionist countries increased their trades in a greater proportion in the same space of time, and notwithstanding the wars of invasion or rebellion they were called upon to undergo. Consequently, since foreign countries, notwithstanding those drawbacks, have done better under their protectionist *régime* than England has under her one-sided fiscal policy, misnamed free trade, and in the face of her great natural advantages, it necessarily follows, as a logical sequence, that this one-sided commercial policy of ours has caused this country to descend in the scale of prosperity in comparison with the ascent made by our rivals, and this is, I maintain, good and sufficient reason for the English people to question the soundness of the policy embodied in "the settlement of 1846."

What is reciprocity? Such is the question asked by those interested in maintaining the settlement they made in their own interests but at the expense of the interests of the nation. To crush the movement embodied in the word these men assume false premises, and then prove to their own satisfaction that the policy of the movement is absurd. But such conclusions and arguments are easily overthrown from the moment the premises on

which they are based are shown to be false. In their narrow-mindedness free traders assume that the policy of reciprocity is to tax corn and raw materials "right away," as our "kin beyond sea" would say. Surely they can give us the credit of appreciating the merit of cheap food and raw material at their full value. They allow we have sufficient wisdom not to merely advocate taxing the paltry £50 millions worth of manufactured goods now sold yearly on our markets as the best means of relieving the existing distress, and of infusing new life and vigour into our home industries. And they then pretend to be unable to understand what can really be meant by the policy of reciprocity, or to see its utility if only such an inadequate remedy is proposed. Most free traders start in their arguments against reciprocity with the old cry of "What! tax the poor man's loaf?" and pose once more as the champions of the working classes. No doubt this is clever fencing. It raises a taking hustings cry, and its promoters know full well that the poor are not very prone to reason before gulping it down. Indeed, the poor are more apt to forget that cheap goods manufactured *at home* are a blessing, *only because the poor have been employed to produce those commodities, and have earned in return the means of purchasing "the loaf," be it cheap or dear.* But the poor invariably forget that, when the cheap goods sold in our markets have been produced by *foreign labour* in a foreign country, the presence of those goods in our market is, to the poor, a curse, unless foreign nations have *reciprocated* the advantages we have conferred upon them by allowing their goods to enter our markets free of duty, and in return have admitted the products of British labour on reciprocal terms into their markets. But when, as is at present the case, this mutual interchange of the products of labour does not take place, then the products of foreign labour displace the products of our native labour. The poor are deprived in consequence of their employment. This prevents their earning wages. They have, consequently, been robbed of their *birthright*—labour. And without labour the poor are deprived of the means of purchasing the "cheap loaf." The more prohibitive the foreign tariffs, the less the volume of our exports, and, consequently, the less labour is there for the poor. Hence, Sir Louis Mallet is decidedly wrong in asserting it to be a fundamental truth, placed "in a way which leaves no door open for dispute or discussion," *and on which he makes the value of the whole of his arguments depend*, "that the more nearly the tariffs of foreign countries approach to the limits of prohibition, the more will the British producer be protected in his own market." I can only say that, if this is the accepted method of the Liberal party of improving the poor, one or both will soon be improved out of existence, and for the sake of the national welfare I do hope the working classes will not be the "improved" in this case. What is reciprocity? As a matter of fact it means "tax for tax, freedom for freedom, and—as a result—English money spent amongst Englishmen." Free traders assert that the working classes must work "longer hours" to bring about a revival of trade. Why "longer hours"? Is it to produce more commodities that no one will purchase? *We say* "tax foreign goods" as a first step towards securing a revival of trade; so that the question for the working classes to decide amongst themselves is, "Which of the two policies will they support?" "*Longer hours, say 72 a week*," or "*a tax on the products of foreign labour now allowed to compete untaxed in British markets against the heavily-taxed products of British labour.*"

There is, however, much more in the policy of reciprocity than is taken into consideration by the philosophy of its opponents. It is not what

Sir Louis Mallet has striven hard to make it appear to be—a means of increasing the cost of the necessaries of life. Did reciprocity increase the price of food, it would cause a reciprocal increase of wages to take place. That, however, would confer no benefit on the workman. What reciprocity aims at accomplishing is the creation of a permanent and lasting demand for British labour; at securing for labour a fair day's pay for a fair day's work without increasing the hours of labour; at securing for the country a natural and constant supply of cheap food and raw material; and at putting an end to all existing one-sided commercial treaties, so as to restore to the country its liberty of action.

Having accomplished this last object, the supporters of the policy of reciprocity aim at substituting an Imperial for the Liberal vestryman's policy, which would isolate England from the rest of the world, sever her from her colonies, and leave her to die like a poisoned rat that has taken to its hole, uncared for by the world. Instead, reciprocity would strengthen the bonds of union between England and her colonies; restore peace to Ireland, and found an Imperial trade federation, which should make the British Empire self-supporting and self-subsisting—totally independent of foreign supplies. Over whatever soil the British flag is unfurled to the breeze, that should be recognised not only as British soil—it should be England! Be it the British Isles or Australia or the Cape or Canada or India, it is all England! English soil tilled by English hands in most cases, and in all cases dependent on English arms for protection against foreign aggression. "Horn and corn" raised by British hands from British soil in all parts of the world will supply England with cheap food in abundance, and English money will then be spent amongst Englishmen in the reproduction of those commodities now supplied to us by aliens. Then the foreigner can be excluded from our markets unless he consents to deal fairly with us. We ask him for no favour, and most assuredly will show him none. If anyone is to be favoured, let it be our own flesh and blood, for we can now dispense with foreign goods, since there is nothing the foreigner produces but what can be obtained, of better quality and at a less cost in one or the other of our colonies—that is to say, within the British Empire—and in this manner reciprocity aims at securing to our working classes that which they sold to the Liberals for a mess of pottage—the birthright of our people and the cause of England's greatness—LABOUR.

It must not be forgotten that every member of the community willing to work has, at the least, a right to food and clothing enough to support life. If, by a vicious policy, he is robbed of his labour, both food and clothing must be supplied to him gratis at the cost of the taxpayer. It is by no means the wealthy only who are specially concerned in this question. The interests of all who, in their different degrees, desire to work truly and fairly together are identical. All alike depend on profits, or, more strictly speaking, on the ample reproduction of capital consumed. We must never forget the fact that a nation, just as much as an individual, is bound to give value, in one form or another, for all it receives. Our wealth and capital rest entirely on the maintenance of our vast and complex organisation of productive labour, which may, and by every obligation of our duty to our children and descendants, must, be improved to the utmost, but which cannot be destroyed or intermitted without the ruin of the whole fabric. The capital of the country, if not used in the direct or indirect employment of British labour, will sooner or later disappear in paying for the products of foreign labour used, enjoyed, and destroyed

by the Bright-Gladstone ideal consumer. We are all consumers ; but we are all dependent for our means of consuming on the right application of reproductive labour. The Gladstone school, however, has cleverly divided consumers into two classes, whose interests for the time being are diametrically opposed. We have to face *producers* of British goods on the one hand, and *distributors* of foreign commodities on the other. The latter owe their incomes to the assistance they receive from the foreign bounty system in enabling them to dispose of the products of foreign labour to the British consumer, who, by rights, and by every consideration of his duty as a citizen, ought to purchase the products of British labour. British producers, unable, in consequence of this one-sided and unfair distribution of the products of labour, to find a sale for their commodities, are forced to give up the unequal contest, and in this manner our vast and complex system of production is at present intermitted, and will soon be destroyed for the benefit of the distributors of foreign commodities, unless the one-sided fiscal policy of the past be shortly made to give way to sounder principles of political economy. The wealthy and the employed derive little or no benefit from the foreign bounties. The bounty only secures the purchase of the foreign goods by the *distributor*, who, in consequence, refuses to purchase the products of British labour, being unable to distribute both, owing to the capacity of consumers for consumption being limited ; and in this manner British factories are forced to discharge their workmen and close their doors, and the British farmer is obliged to leave his land fallow. Workmen are thus reduced to see their families starve in the midst of plenty. The markets are literally crammed with cheap foreign goods, but they are of no use to those who, thrown out of employment, earn no wages, and consequently cannot purchase, and, as yet, dare not steal them. Hence the question workmen have now to answer is a simple one. The Liberals say, " Alter the Factory Act and work longer hours ! " Which shall it be? Longer hours, or reciprocity—meaning protection to British land and labour—and fair play? Workmen, please reply !

FORTIS IN ARDUIS.

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2. The following articles, given by Mr. MacIver as manufactures or half-manufactures, are not entered separately in the Statistical Abstract, and were, therefore, included by Sir Louis Mallet under the separate head of "Articles Unenumerated," viz. :

Beads of glass	£66,260
Caoutchouc manufactures	86,676
China and porcelain ware	279,888
Cordage and twine	542,048
Cork, manufactured	491,503
Cotton yarn	379,801
Embroidery and needlework	84,609
Hats and bonnets	183,513
Jute yarn	37,959
Lace	521,384
Leather boots and shoes	348,786
Leather unenumerated	379,005
Linen yarn and manufactures	575,401
Musical instruments	615,702
Painters' colours	759,552
Paper	684,631
Toys	444,829
House frames, &c.	120,524
Manufactured goods (unenumerated)	5,748,653

Imports from the United States.

Sir Louis Mallet gives the value of our manufactured and half-manufactured imports from the United States as about *two millions* : the BRITISH EMPIRE gives them as about *three and a half millions.*

Sir Louis Mallet's figures are taken from the annual statement of the Trade of the United Kingdom with Foreign Countries and British Possessions for the year 1877, p. 206.

The BRITISH EMPIRE gives the following articles, which do not appear in that statement, viz. :

Chemical manufactures	£37,074
Cotton ,,	400,000
Glass ,,	4,393
Linen ,,	5,162
Leather ,,	30,499
Muskets	6,199
Painters' colours	15,081
Toys	13,813
House frames, &c.	37,493

Also the BRITISH EMPIRE includes in its list of American manufactures or half-manufactures imported the two following articles, which have throughout been treated by Sir Louis Mallet as "Articles for Consumption," viz. :

Oil-seed cake	£1,051,843
Sugar (refined)	425,150

MR. DAVID MACIVER TO SIR LOUIS MALLET.

Mr. MacIver begs to thank Sir Louis Mallet for explaining the discrepancy between the figures given in his letter on "Reciprocity" and those quoted by Mr. MacIver in the House of Commons.

Sir Louis Mallet's note, however, does not indicate that the "Cobden Club" is taking any steps to correct the mistake which Mr. MacIver pointed out.

The "Cobden Club" has printed, and is circulating, Sir Louis Mallet's letter on "Reciprocity" in a form which conveys the impression that when Sir Louis Mallet gave the value of our "imports of manufactured and half-manufactured goods," he intended to include the whole of such imports.

Mr. MacIver readily admits that Sir Louis Mallet treated part of these imports as "articles of consumption," and another part as "articles unenumerated"; but, most unfortunately, Sir Louis Mallet omitted to mention that the articles so treated were in reality manufactures.

Mr. MacIver, therefore, having waited, as he thinks, a sufficient length of time without hearing from the "Cobden Club," and believing that Sir Louis Mallet's letter on "Reciprocity" is still being circulated unaccompanied by the explanation which he is now good enough to furnish, considers himself entirely justified in sending this correspondence to the press.

House of Commons: August 6, 1879.